

Bill No. 28-03
Concerning: Health and Human Services
 - Local Management Board
Revised: 9-11-03 Draft No. 5
Introduced: July 29, 2003
Enacted: September 23, 2003
Executive: October 7, 2003
Effective: January 6, 2004 (but see §2)
Sunset Date: None
Ch. 20, Laws of Mont. Co. 2003

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmember Leventhal, Council Vice-President Silverman, and Councilmembers Perez and Praisner

AN ACT to:

- (1) authorize the designation of a local management board for children, youth, and families, as required by state law;
- (2) specify the scope and mission of the local management board, and authorize it to undertake certain activities;
- (3) establish a process to designate and revoke a designation of a quasi-public corporation as the local management board;
- (4) establish certain criteria that a quasi-public corporation must meet to be designated as the local management board; and
- (5) generally provide for an interagency service delivery system, consistent with state law, for certain services to children, youth, and families.

By adding

Montgomery County Code
Chapter 2, Administration
Article VI, Local Management Board for Children, Youth, and Families

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

Section 1. Chapter 2 is amended by adding Article VI as follows:

ARTICLE VI. [Reserved]

LOCAL MANAGEMENT BOARD FOR CHILDREN, YOUTH, AND FAMILIES.

2-117. Declaration of Policy.

The County Council finds that:

- (a) State law requires the County to establish or designate a **local management board** to ensure the implementation of a local, interagency service delivery system for children, youth, and families.
- (b) Under State law, the County may designate a quasi-public, nonprofit corporation that is not an instrumentality of the County to act as the County's **local management board**.
- (c) Designating a quasi-public, nonprofit corporation as the **local management board** will best enable the County to implement a local, interagency service delivery system for children, youth, and families.

2-118. Purposes; scope and mission.

The primary functions of the **local management board** are to:

- (a) administer state funds for certain children's services, and plan and coordinate those state-funded services;
- (b) participate in community planning for children's services related to the state-funded programs; and
- (c) apply for and administer funds for children's programs, as provided in Section 2-122.

2-119. Designation.

- (a) The County Council may designate, by resolution approved by the County Executive, a nonprofit corporation which complies with all requirements of this Article as the County's **local management board**. If the County

Executive disapproves the resolution within 10 days after receiving it, the Council may readopt the resolution with at least 6 affirmative votes.

(b) Each designation expires 3 years after the resolution is adopted unless the Council extends it by adopting another resolution under this Section.

(c) A corporation must comply, through its articles of incorporation and by-laws, with all requirements of this Article to continue as the County's **local management board.**

(d) In this Chapter, **local management board** means the corporation that the County has designated to implement a local, interagency service delivery system for children, youth, and families.

2-120. Board of Directors.

(a) *Appointment and confirmation.* For a corporation to qualify as a quasi-public corporation, the corporation's board of directors must be appointed by the County Executive and confirmed by the County Council. The board of directors must have 21 voting members, allocated as specified in this Section.

(b) *Public members.* The County Executive must appoint 12 members from the public sector, including:

(1) a designee of the President of the County Council;

(2) a designee of the President of the Board of Education;

(3) a designee of the Superintendent of Montgomery County Public Schools;

(4) the Director of the Department of Health and Human Services, or the Director's designee;

(5) the Director of either the Department of Finance or the Office of Management and Budget, or either Director's designee;

(6) the Director of the Core Service Agency, or the Director's designee;

(7) the Regional Director of the state Department of Juvenile Services, or the Director's designee;

(8) the County Health Officer, or the Officer's designee; and

~~[(8)]~~ (9) a County employee who provides direct client social services to children, youth, or families.

Each member appointed from the public sector represents the public interest, and is not precluded from participating in a matter as a board member if that member's government employer is a party to the matter.

(c) Private members. The County Executive must appoint 9 members from the private sector, who may include:

(1) advocates for services to children, youth, and families;

(2) providers of services to children, youth, and families;

(3) parents of children who are receiving or recently received services of the type funded by the **local management board**;

(4) individuals between 18 and 25 years of age;

(5) business owners and managers;

(6) leaders of civic and community service organizations; and

(7) leaders of religious organizations.

However, the Executive must not appoint more than 2 persons who are members of a governing board of, and must not appoint any employee of, any organization that receives County funds, or state funds directed through the **local management board**, for children's services.

(d) Representation. In selecting public and private sector board members, the Executive must strive to achieve broad representation from various geographic areas and socio-economic and ethnic groups.

(e) Term; Removal.

(1) Each board member must be appointed for a term of 3 years.

However, when the board is first appointed, the Executive must appoint 2/3 of the members to 1- or 2-year terms.

(2) The Executive may reappoint a member, but a private sector member must not serve more than 2 consecutive full terms, not including any portion of an unexpired term.

(3) The Executive may remove a member for violation of law or other good cause specified in the bylaws of the corporation, after giving the Council at least 15 days' notice of the proposed removal.

(f) Duties. The board of directors must direct all aspects of the corporation's program, management, and finances.

(g) Compensation; Relation to County retirement system.

(1) A member of the board serves without compensation. However, the corporation may reimburse a private sector member for expenses incurred in attending meetings or carrying out other official duties.

(2) A member is not eligible to receive benefits under any County retirement system for service rendered as a board member.

2-121. Articles of Incorporation; Bylaws.

(a) For a corporation to qualify as a quasi-public corporation, its articles of incorporation must provide that the corporation is:

(1) nonprofit;

(2) not an instrumentality of the County; and

(3) incorporated for the sole purpose of serving as the County's **local management board.**

(b) The corporation's bylaws may contain any provision, not inconsistent with law or the articles of incorporation, to govern and manage the corporation.

(c) The corporation's bylaws must:

- (1) prohibit conflict of interest, self-dealing, collusive practices, or similar impropriety by any member of the board of directors or employee, in a way that is at least as stringent as the conflict of interest provisions of the County ethics law; require the annual disclosure of a financial or similar interest of any director or officer in any matter that may come before the corporation; establish conditions under which a director or employee must not participate in corporation actions when there is a conflict between the person's official duties and private interests; and include appropriate remedies for violations of these and other ethical standards, including removal or termination;
- (2) require the board of directors to comply with the state open meetings law as if the corporation were a public body and each action by the board were a quasi-legislative function;
- (3) require competitive procurement for goods and services after reasonable public notice;
- (4) require a surety bond or similar instrument to protect against misappropriation of funds by directors and employees;
- (5) require a copy of each agreement with any state or federal agency to be sent to the Executive and Council within 14 days after the agreement is executed;
- (6) require an annual audit by an independent accounting firm, a copy of which must be sent to the Executive and Council within 14 days after receipt and made available to the public on request;

- (7) require quarterly and annual financial reports, reflecting funds received from all sources, to be submitted to the Executive, Council, and Board of Education;
- (8) require the corporation to publish a detailed annual report of its operations and accomplishments, including initiatives undertaken, outcomes, objectives, performance measures, and evaluation of effectiveness, which must be submitted promptly to the Executive, Council, and Board of Education;
- (9) require the corporation to publish an annual programmatic report to the public in an easily readable format;
- (10) require each contract the corporation enters into to provide that the County government may assume the rights and obligations of the corporation under the contract if its designation as the **local management board** is suspended or revoked;
- (11) require minutes of board meetings to be maintained on file and available for public inspection for at least 6 years; and
- (12) require all contract files to be maintained for at least 6 years after the date of final payment.

(d) The board of directors must submit any proposed amendment to the articles of incorporation or bylaws to the Executive and Council for review and comment at least 60 days before the board takes final action on the amendment. The board must submit a copy of each adopted amendment to the Executive and Council within 5 days after adoption.

2-122. Agreement with the State; Funding.

(a) The **local management board** must enter into any agreement required by state law with the Governor's Office of Children, Youth, and Families, or any successor state agency, to act as the **local management board**.

(b) The **local management board** must take, consistent with County law, any action necessary to comply with any applicable state regulation or requirement.

(c) The **local management board** may apply for and receive funds from the State and other sources, including:

(1) the Federal government;

(2) County departments, offices, and agencies;

(3) private donations; and

(4) government and private grants.

(d) However, the **local management board** must obtain the Council's approval before the **local management board** applies for any non-government grant or donation that would exceed ~~[\$250,000]~~ \$500,000 in any fiscal year, that would require a County match that would exceed \$10,000, or that would require the **local management board** to provide or fund any service after the grant or donation is fully spent. The Council, after giving the Executive a reasonable time to offer a recommendation, may indicate its approval or disapproval by any means authorized by a majority of Councilmembers.

2-123. Revocation of Designation as Local Management Board.

The Council at any time may suspend or revoke the designation of a corporation as the **local management board** by resolution, adopted after at least 15 days public notice, that is approved by the County Executive or, if the Executive disapproves the resolution within 10 days after receiving it, is readopted by a vote of at least 6 Councilmembers.

Section 2. Timetable; transition.

(a) The first resolution adopted under Section 2-119(a), inserted by Section 1 of this Act, must take effect on July 1, 2004. Any corporation that

seeks to be designated as the local management board must submit proposed articles of incorporation and bylaws to the County Executive and County Council for review and comment by May 1, 2004.

(b) By February 1, 2004, the Director of the Department of Health and Human Services must submit to the Executive and Council a local management board transition plan to address such issues as financial oversight during a transition; modification of service contracts to assure that services to children and families are not disrupted; and transition of affected employees.

(c) Notwithstanding any inconsistent provision of County Code Section 19A-13, a person employed by the Department of Health and Human Services before July 1, 2004, may be employed by a corporation after it is designated as the local management board, and if so employed may immediately work on any matter that the person significantly participated in as a Department employee.

Approved:

Michael L. Subin, President, County Council

Date

Approved:

Douglas M. Duncan, County Executive

Date

This is a correct copy of Council action.

Mary A. Edgar, CMC, Clerk of the Council

Date